

INFORMATION ABOUT THE STATE OF TENNESSEE'S SETTLEMENT WITH FAIRFIELD RESORTS, INC.

GENERAL STATEMENT ABOUT SETTLEMENT

The Tennessee Attorney General's Office and the Tennessee Division of Consumer Affairs entered into an Assurance of Voluntary Compliance with Fairfield Resorts, Inc. ("Fairfield") involving the Fairfield Glade properties near Crossville, Tennessee. That settlement was approved by the Honorable Judge Barbara Haynes on August 29, 2006 and entered at ____ a.m. Fairfield denied wrongdoing in the settlement but agreed to provide consumer relief to certain categories of consumers who filed complaints prior to entry of the Assurance with the specific entities.

QUESTIONS AND ANSWERS ABOUT THE SETTLEMENT'S CONSUMER RELIEF PROGRAM

Q: Am I eligible for relief (a refund, restitution) under the State of Tennessee's settlement with Fairfield?

A: Consumers who filed complaints with the Tennessee Attorney General's Office, any entity of the State of Tennessee (including but not limited to the Tennessee Division of Consumer Affairs and the Tennessee Real Estate Commission), Fairfield, the Community Club, or any Better Business Bureau in Tennessee or Florida **before August 29, 2006 at ____ a.m.** are eligible for consumer relief if they fit within certain categories. Consumers who can provide proof they received misinformation that Fairfield's bankruptcy extinguished their rights are also eligible under the same categories.

Q: What if I did not file a complaint with one of the specific entities?

A: You are not eligible for individual consumer relief under the settlement. However, you can file a complaint with the Tennessee Division of Consumer Affairs at (615)741-4737, or online at <http://www.state.tn.us/consumer/consCompFrm.html>. Your complaint will be handled in the same manner as other complaints against any company.

Q: What are the consumer relief categories provided by the settlement?

A: There are three categories of consumer relief:

(a) Current owners of undeveloped lots may return the lot to Fairfield

and receive 65 % of their purchase price or exchange their undeveloped lot for a developed lot.

- (b) Consumers who sold their lots for less than 30% of the original purchase price will receive 50% of their original purchase price, minus the amount made from the sale of the lot, plus any expenses associated with the sale of the lot.
- (c) Consumers who lost their lot to foreclosure, deed in lieu of foreclosure or voluntary surrender will receive 50% of the dues they paid to the Fairfield Glade Community Club.

Q: Can I find out if my name is on the list of consumers eligible to receive the notice package?

A: You should contact Fairfield to find out if you are on the list. However, you should wait until September 12, 2006 when the list should be finalized. The contact information for Fairfield is:

Telephone: (Toll-free) 1-866-324-8599

E-mail: fairfieldconsumeraffairs@fairfieldresorts.com

Mailing address: Fairfield Resorts, Inc.
8427 South Park Circle, Suite 500
Attn: Consumer Affairs TN AG Agreement
Orlando, Florida 32819

Q: When will the claim forms be sent to consumers?

A: Claim forms will be sent out in a phased manner. The first round of claim forms will go out within 3 weeks of entry of the settlement and all forms must be mailed by no later than 75 days after the entry of the settlement (i.e., around November 12, 2006).

Q: I still own my lot; how much will my refund be?

A: If you filed a complaint before the settlement was filed with the court, and you still own an undeveloped lot at Fairfield Glade, you have two options:

(1) You can deed your lot back to Fairfield and receive a refund of 65% of your purchase price or

(2) You can exchange your undeveloped lot for a developed lot at no cost to the you. If you wish to exchange your lot and Fairfield has run out of developed lots, you can opt to be placed on a waiting list for a lot to be developed within 11 months. If you would prefer not to wait 11 months, you can still opt to receive a refund of 65% of your purchase price.

Q: I sold my lot; am I eligible for relief (a refund, restitution, etc.)?

A: If you filed a complaint before the settlement was filed with the court and you sold your lot for less than 30% of your purchase price, you are eligible for a refund. Under the terms of the settlement, you are eligible to receive 50% of your purchase price, minus the amount you made from the sale of the lot, plus any expenses related to the sale of your lot. For example,

\$10,000	original lot purchase price
- <u>1,000</u>	amount sold lot for
\$ 9,000	
+ <u>500</u>	expenses related to the sale of the lot
\$ 9,500	
- <u>50%</u>	
\$ 4,750	amount of refund

Q: My lot was foreclosed upon (or I deeded my lot in lieu of foreclosure or I voluntarily surrendered my lot); am I eligible for a refund?

A: If you filed a complaint before the settlement was filed with the court and you lost your lot due to foreclosure (or deed in lieu of foreclosure or voluntary surrender), you are eligible for a refund. Under the terms of the settlement, you are eligible to receive 50% of the dues (or assessments) that you paid to the Fairfield Glade Community Club while you owned your lot. This refund will be paid by Fairfield Resorts and not the Community Club. The Community Club is not a party to the Fairfield

Resorts Assurance.

Q: If I am eligible for consumer relief, will I get back all of the money I paid for my lot?

A: No, the settlement provides for partial refunds for all eligible consumers.

Q: Why am I not getting back any of the dues I paid to the Fairfield Glade Community Club?

A: The Community Club is not a party to the Fairfield Resorts settlement and the settlement does not address Community Club issues.

Q: I own a developed lot at Fairfield Glade; am I eligible for relief?

A: No, consumers who own developed lots at Fairfield Glade are not eligible for any relief under the settlement.

Q: I own a lot at Fairfield Glade and have built a house on it; am I eligible for relief?

A: No, consumers with houses built on their lots are not eligible for any relief under the settlement.

Q: I thought my rights against Fairfield were cut off by the bankruptcy or about 1992.

A: It is the State's position that your rights were not affected by the bankruptcy. If you can show that you were informed your rights were cut off, you may be eligible for relief under the State's settlement. By no later than 6 months from entry of the settlement (i.e. February 28, 2007), mail any documentary proof that you have to Fairfield Resorts, Inc., 8427 South Park Circle, Suite 500, Orlando, FL 32819, Attn: Consumer Affairs TN AG Agreement. Keep a copy of any documents you send to Fairfield Resorts.

Q: What if I inherited the lot?

A: You may be eligible if you or the person you inherited from filed a complaint with the required entities before August 29, 2006 and you are within the above mentioned categories.

Q: After receiving my claim form, what if I do not agree with the consumer relief category I've been placed in?

A: First, you should call Fairfield at 1-866-324-8599 or e-mail them at fairfieldconsumeraffairs@fairfieldresorts.com and explain what category you believe best suits your circumstances. If you and Fairfield do not agree, you have the right to request an arbitration form. Arbitration is available at no cost to you.

Q: After receiving my claim form, what if I do not agree with the amount of my refund from Fairfield?

A: First, you should call Fairfield at 1-866-324-8599 or e-mail them at fairfieldconsumeraffairs@fairfieldresorts.com and explain why you think your refund amount was calculated incorrectly. If you and Fairfield do not agree, you have the right to request an arbitration form. Arbitration is available at no cost to you.

Q: How long do I have to return my claim form?

A: You have 60 days from the date the package was mailed to you to return your claim form. The claim form and cover letter will tell you when the 60 days expires for you. The date of mailing is the postmarked date on the envelope.

Q: I lost my claim form, can I get another one?

A: You can call Fairfield at 1-866-324-8599 or e-mail them at fairfieldconsumeraffairs@fairfieldresorts.com to request a replacement claim form. However, you must act quickly because the 60 days will still run from the original mailing if you lose your original claim form.

Q: How long will it take to get my refund?

A: Most refunds will be sent within 3 weeks of receipt of your request for a

refund. However, the lot exchange program may take longer. If more than 3 weeks has passed and you want to know the status of your refund, you may call Fairfield at 1-866-324-8599 or e-mail them at fairfieldconsumeraffairs@fairfieldresorts.com

Q: Am I required to accept a refund under the settlement?

A: No, but please understand that accepting a refund under this settlement does not limit your individual legal options. The State of Tennessee cannot give legal advice; however, you are free to speak with a private attorney regarding any rights you may have involving Fairfield Resorts, Inc.

Q: Will accepting a refund limit any private right of action I may have?

A: Under state law and the terms of the settlement, accepting consumer relief does not waive or release any private right of action you may have against Fairfield Resorts, Inc. The State of Tennessee cannot give legal advice; however, you are free to speak to a private attorney regarding any rights you may have involving Fairfield Resorts, Inc.

Q: If I file a complaint now, will I be eligible for a refund?

A: No, only consumers who filed complaints before the settlement was filed with the court are eligible for refunds. You may still file a complaint with the Division of Consumer Affairs and they will process your complaint in the same manner that they process all complaints. You can file a complaint with Division of Consumer Affairs by calling (615) 741-4737 or online at <http://www.state.tn.us/consumer/consCompFrm.html>.